



DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB-2021-0006; T.D. TTB-183; Ref: Notice No. 203]

RIN: 1513-AC83

Establishment of the Rocky Reach Viticultural Area

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) establishes the 50-square mile “Rocky Reach” viticultural area in portions of Chelan and Douglas Counties, in Washington. The newly-established Rocky Reach viticultural area is located entirely within the existing Columbia Valley viticultural area. TTB designates viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

DATES: This final rule is effective [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Karen A. Thornton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Box 12, Washington, DC 20005; phone 202-453-1039, ext. 175.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), authorizes the Secretary of the Treasury to prescribe regulations

for the labeling of wine, distilled spirits, and malt beverages. The FAA Act provides that these regulations should, among other things, prohibit consumer deception and the use of misleading statements on labels, and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the FAA Act pursuant to section 1111(d) of the Homeland Security Act of 2002, codified at 6 U.S.C. 531(d). The Secretary has delegated the functions and duties in the administration and enforcement of these provisions to the TTB Administrator through Treasury Order 120–01, dated December 10, 2013 (superseding Treasury Order 120–01, dated January 24, 2003).

Part 4 of the TTB regulations (27 CFR part 4) authorizes TTB to establish definitive viticultural areas and regulate the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) sets forth standards for the preparation and submission to TTB of petitions for the establishment or modification of American viticultural areas (AVAs) and lists the approved AVAs.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region having distinguishing features as described in part 9 of the regulations and, once approved, a name and a delineated boundary codified in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to the wine's geographic origin. The establishment of AVAs allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of an

AVA is neither an approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations (27 CFR 4.25(e)(2)) outlines the procedure for proposing an AVA and allows any interested party to petition TTB to establish a grape-growing region as an AVA. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes standards for petitions to establish or modify AVAs. Petitions to establish an AVA must include the following:

- Evidence that the area within the proposed AVA boundary is nationally or locally known by the AVA name specified in the petition;
- An explanation of the basis for defining the boundary of the proposed AVA;
- A narrative description of the features of the proposed AVA affecting viticulture, such as climate, geology, soils, physical features, and elevation, that make the proposed AVA distinctive and distinguish it from adjacent areas outside the proposed AVA;
- If the proposed AVA is to be established within, or overlapping, an existing AVA, an explanation that both identifies the attributes of the proposed AVA that are consistent with the existing AVA and explains how the proposed AVA is sufficiently distinct from the existing AVA and therefore appropriate for separate recognition;
- The appropriate United States Geological Survey (USGS) map(s) showing the location of the proposed AVA, with the boundary of the proposed AVA clearly drawn thereon; and
- A detailed narrative description of the proposed AVA boundary based on USGS map markings.

Rocky Reach Petition

TTB received a petition from Dr. Kevin Pogue, a professor of geology at Whitman College, proposing to establish the “Rocky Reach” AVA. Dr. Pogue submitted the petition on behalf of local vineyard owners and winemakers. The proposed AVA is located in portions of Chelan and Douglas Counties, in Washington, and lies entirely within the established Columbia Valley AVA (27 CFR 9.74). The petition notes that, although the proposed AVA covers 50 square miles, the Columbia River and the Rocky Reach Reservoir constitute approximately 24 percent of the total area. Within the proposed AVA, there are 7 commercial vineyards, which cover a total of approximately 117 acres. The distinguishing features of the proposed Rocky Reach AVA are its topography, geology, soils, and climate.

Topography

The proposed Rocky Reach AVA is located along a stretch of the Columbia River where the river has eroded a deep canyon between the foothills of the Cascade Range to the west and the Waterville Plateau and Badger Mountain to the east. Elevations within the proposed AVA are below 1,600 feet. Near the floor of the canyon and low along the canyon sides are flat-topped terraces. According to the petition, the terraces within the AVA have long been used for agricultural purposes, including viticulture, due to the ease of farming on the nearly-level ground.

West of the proposed AVA, the terrain is rugged and mountainous and elevations rise rapidly to over 3,000 feet. To the east of the proposed AVA, elevations are also higher, rising to an average of 2,500 feet on the Waterville Plateau. According to the petition, the terrain is also much steeper to the east of the proposed AVA. To the north of the proposed AVA, within the established

Lake Chelan AVA (27 CFR 9.215), glaciers eroded a deep and broad glacial trough that is now filled by Lake Chelan. South of the proposed AVA, the valley of the Columbia River abruptly widens where the bedrock changes from hard, erosion-resistant metamorphic rocks to much softer sedimentary rocks.

Geology

According to the petition, 95 percent of the surface bedrock within the established Columbia Valley AVA consists of Cenozoic volcanic and sedimentary rock, predominantly Miocene Columbia River basalt, which is silica-poor and iron-rich. However, within the proposed Rocky Reach AVA, erosion has removed the basalt and carved a deep valley into the underlying Mesozoic crystalline basement rocks. According to the petition, the region north of the proposed AVA, specifically the established Lake Chelan AVA, is the only other region within the Columbia River AVA that has this crystalline basement bedrock. These rocks consist primarily of metamorphosed sedimentary and igneous rocks that are silica-rich and dominated by minerals like quartz and mica that are not found in the regions to the east, south, and west of the proposed AVA, which have basalt bedrock. As a result, grapevine roots that reach the bedrock of the proposed AVA come into contact with a chemical environment that is distinct from that associated with basalt bedrock.

Soils

The petition states that the soils of the proposed AVA formed from wind-deposited sand and silt overlying cobblestone gravel, as well as from sand deposited by ice-age floods. The soils are typically clay-poor and well- to excessively well-drained. The thickness of the sand and silt is generally greater on the higher terraces within the proposed AVA, as their greater age has allowed more time for soils to be deposited. Most of the vineyards in the proposed AVA

are on the lower terraces, where the soils are very coarse-grained and consist largely of cobblestones deposited by glacial floods and outwash. According to the petition, the stony surfaces of the lower terraces warm quickly. The hot stones then radiate heat to the vines, promoting faster and more complete ripening. The coarse soils also more efficiently transmit water to deeper soil horizons, which encourages deeper root penetration than in silty or sandy soils. Finally, the petition notes that vineyards in the stony soils do not require the use of cover crops since erosion is not an issue due to the coarse texture.

To the north of the proposed AVA, the soils of the glaciated valleys formed from glacial till, which is sediment deposited directly by melting glacial ice. The soils also contain volcanic ash and pumice, which are uncommon within the proposed Rocky Reach AVA. Fine-grained loess and sand over a basalt substratum dominate the soils in the regions to the south and east of the proposed AVA. The petition did not include soil information for the region west of the proposed AVA.

Climate

According to the petition, the proposed AVA's location at low elevations within the deep valley of the Columbia River allows it to have a warmer and longer growing season than the higher elevations of the surrounding mountains and plateaus. The petition included data on temperatures for the period of 2015-2017 measured at two locations within the proposed AVA and two locations in the region to the north of the proposed AVA. The data indicates that the proposed Rocky Reach AVA generally has warmer average annual temperatures than the regions to the north, as well as higher maximum temperatures. The petition included data on temperatures in the region to the east of the proposed AVA for only 1 year, so TTB was unable to determine if temperature

distinguishes the proposed AVA from the region to the east. The petition did not include information on temperatures in the regions to the west and south of the proposed AVA.

During the three-year period, the average temperature within the proposed Rocky Reach AVA was 64.7 degrees Fahrenheit (F), with an average maximum temperature of 77.9 degrees F. The highest maximum temperature measured during that time period was 108.9 degrees F. The average minimum temperature within the proposed AVA was 52 degrees F, and the lowest minimum temperature was 29.2 degrees F. The average soil temperature was 68.8 degrees F.

By comparison, during the same three-year period, the average temperature within the region to the north of the proposed AVA was 63 degrees F, with an average maximum temperature of 74.9 degrees F. The highest maximum temperature measured during that time period was 105.4 degrees F. The average minimum temperature within the region to the north was the same as within the proposed AVA, and the lowest minimum temperature was 29.9 degrees F, which was similar to the lowest minimum temperature within the proposed AVA. The average soil temperature was 56.5 degrees F.

Notice of Proposed Rulemaking and Comments Received

TTB published Notice No. 203 in the **Federal Register** on July 15, 2021 (86 FR 37260), proposing to establish the Rocky Reach AVA. In the notice, TTB summarized the evidence from the petition regarding the name, boundary, and distinguishing features for the proposed AVA. The notice also included the information from the petition comparing the distinguishing features of the proposed AVA to the surrounding areas. For a detailed description of the evidence relating to the name, boundary, and distinguishing features of the

proposed AVA, and for a detailed comparison of the distinguishing features of the proposed AVA to the surrounding areas, see Notice No. 203.

In Notice No. 203, TTB solicited comments on the accuracy of the name, boundary, and other required information submitted in support of the petition. In addition, given the proposed Rocky Reach AVA's location within the Columbia Valley AVA, TTB solicited comments on whether the evidence submitted in the petition regarding the distinguishing features of the proposed AVA sufficiently differentiates it from the established AVA. TTB also requested comments on whether the geographic features of the proposed AVA are so distinguishable from the established Columbia Valley AVA that the proposed AVA should no longer be part of the established AVA. The comment period closed September 13, 2021.

In response to Notice No. 203, TTB received one comment. The comment supported establishing the proposed AVA based on its distinct terroir. Of particular importance to the commenter was the presence of granitic gneiss/migmatite/schist bedrock, which the commenter claimed distinguishes the proposed AVA from the vast majority of land within the established Columbia Valley AVA.

TTB Determination

After careful review of the petition and the comment received in response to Notice No. 203, TTB finds that the evidence provided by the petitioner supports the establishment of the Rocky Reach AVA. Accordingly, under the authority of the FAA Act, section 1111(d) of the Homeland Security Act of 2002, and parts 4 and 9 of the TTB regulations, TTB establishes the "Rocky Reach" AVA in portions of Chelan and Douglas Counties, Washington, effective 30 days from the publication date of this document.

TTB has also determined that the Rocky Reach AVA will remain part of the established Columbia Valley AVA. As discussed in Notice No. 203, the Rocky Reach AVA shares some broad characteristics with the established AVA. For example, elevations within the Columbia Valley AVA are generally below 2,000 feet, and the Rocky Reach AVA is located entirely below 2,000 feet. However, the Rocky Reach AVA has crystalline basement bedrock rich in silica, quartz, and mica, rather than the basalt bedrock that characterizes much of the rest of the Columbia Valley AVA, and the soils of the Rocky Reach AVA are more coarse-grained than the loess-based soils that define most of the Columbia Valley AVA.

Boundary Description

See the narrative description of the boundary of the Rocky Reach AVA in the regulatory text published at the end of this final rule.

Maps

The petitioners provided the required maps, and they are listed below in the regulatory text. The Rocky Reach AVA boundary may also be viewed on the AVA Map Explorer on the TTB website, at <https://www.ttb.gov/wine/ava-map-explorer>.

Impact on Current Wine Labels

Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine's true place of origin. For a wine to be labeled with an AVA name or with a brand name that includes an AVA name, at least 85 percent of the wine must be derived from grapes grown within the area represented by that name, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). If the wine is not eligible for labeling with an AVA name and that name appears in the brand name, then the label is not in

compliance and the bottler must change the brand name and obtain approval of a new label. Similarly, if the AVA name appears in another reference on the label in a misleading manner, the bottler would have to obtain approval of a new label. Different rules apply if a wine has a brand name containing an AVA name that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

With the establishment of the Rocky Reach AVA, its name, “Rocky Reach,” will be recognized as a name of viticultural significance under § 4.39(i)(3) of the TTB regulations (27 CFR 4.39(i)(3)). The text of the regulations clarifies this point. Consequently, wine bottlers using the name “Rocky Reach” in a brand name, including a trademark, or in another label reference as to the origin of the wine, will have to ensure that the product is eligible to use the AVA name as an appellation of origin.

The establishment of the Rocky Reach AVA will not affect the existing Columbia Valley AVA, and any bottlers using “Columbia Valley” as an appellation of origin or in a brand name for wines made from grapes grown within the Columbia Valley will not be affected by the establishment of this new AVA. The establishment of the Rocky Reach AVA will allow vintners to use “Rocky Reach” and “Columbia Valley” as appellations of origin for wines made primarily from grapes grown within the Rocky Reach AVA if the wines meet the eligibility requirements for these appellations.

Regulatory Flexibility Act

TTB certifies that this regulation will not have a significant economic impact on a substantial number of small entities. The regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of an AVA name would be the result of a proprietor’s efforts

and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

It has been determined that this final rule is not a significant regulatory action as defined by Executive Order 12866 of September 30, 1993. Therefore, no regulatory assessment is required.

Drafting Information

Karen A. Thornton of the Regulations and Rulings Division drafted this final rule.

List of Subjects in 27 CFR Part 9

Wine.

The Regulatory Amendment

For the reasons discussed in the preamble, TTB amends title 27, chapter I, part 9, Code of Federal Regulations, as follows:

PART 9—AMERICAN VITICULTURAL AREAS

1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

Subpart C—Approved American Viticultural Areas

2. Subpart C is amended by adding § 9.287 to read as follows:

§ 9.287 Rocky Reach.

(a) *Name*. The name of the viticultural area described in this section is “Rocky Reach”. For purposes of part 4 of this chapter, “Rocky Reach” is a term of viticultural significance.

(b) *Approved maps*. The 8 United States Geological Survey (USGS) 1:24,000 scale topographic maps used to determine the boundary of the viticultural area are titled:

- (1) Ardenvoir, WA, 2003;
- (2) Chelan, WA, 2004;
- (3) Entiat, WA, 2003;
- (4) Orondo, WA, 2003;
- (5) Rocky Reach Dam, WA, 2003;
- (6) Waterville, WA, 2014;
- (7) Wenatchee, WA, 2003; and
- (8) Winesap, WA, 2004.

(c) *Boundary.* The Rocky Reach viticultural area is located in Chelan and Douglas Counties in Washington. The boundary of the Rocky Reach viticultural area is as described in paragraphs (c)(1) through (13) of this section:

(1) The beginning point is on the Wenatchee map at the intersection of the 1,200-foot elevation contour and the western boundary of section 15, T23N/R20E. From the beginning point, proceed northeast along the 1,200-foot elevation contour, crossing over the Rocky Reach Dam map and onto the northwest corner of the Orondo map; then

(2) Continue northeasterly, then southwesterly along the 1,200-foot elevation contour, crossing back onto the Rocky Reach Dam map and continuing southwesterly along the 1,200-foot elevation contour to its intersection with the unnamed creek flowing from Spencer Lake; then

(3) Proceed northeasterly along the 1,200-foot elevation contour, crossing over the unnamed creek and continuing across the southeastern corner of the Ardenvoir map and onto the Entiat map; then

(4) Continue northeasterly then westerly along the 1,200-foot elevation contour, crossing back onto the Ardenvoir map, and continuing along the

elevation contour to its intersection with the R20E/R21E boundary, which is concurrent with the western boundary of section 18, T25N/R21E; then

(5) Proceed north along the R20E/R21E boundary, crossing over the Entiat River and the Entiat Ditch, to the intersection of the range boundary and the 1,200-foot elevation contour; then

(6) Proceed easterly along the 1,200-foot elevation contour, crossing onto the Winesap map, and continuing northeasterly along the 1,200-foot elevation contour to its intersection with the boundary between sections 11 and 12, T26N/R21E; then

(7) Proceed north along the boundary between sections 11 and 12 for approximately 300 feet to its intersection with the 1,400-foot elevation contour; then

(8) Proceed northeast, then south, then easterly along the 1,400-foot elevation contour, crossing Knapp Coulee and onto the Chelan map, and continuing east along the 1,400-foot elevation contour to its intersection with the northern boundary of section 1, T26N/R22E; then

(9) Proceed south-southeasterly in a straight line, crossing the Columbia River, to the intersection of the 1,600-foot elevation contour and the R22E/R23E boundary; then

(10) Proceed generally westerly along the 1,600-foot elevation contour, crossing over the southeastern corner of the Winesap map and onto the Entiat map, and continuing southwesterly along the 1,600-foot elevation contour to its intersection with an unnamed stream in section 35, T26N/R21E; then

(11) Proceed westerly (downstream) along the unnamed stream for 0.45 mile to its intersection with the 1,200-foot elevation contour; then

(12) Proceed southerly along the 1,200-foot elevation contour, crossing over the Orondo map and onto the Wenatchee map to the intersection of the elevation contour with the southern boundary of section 14, T23N/R20E; then

(13) Proceed west-northwest in a straight line for 1.47 miles, crossing the Columbia River, to the beginning point.

Signed: May 25, 2022.

Mary G. Ryan,

Administrator.

Approved: May 26, 2022.

Timothy E. Skud,

*Deputy Assistant Secretary
(Tax, Trade, and Tariff Policy).*

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